

Construction Loan Lending



Real Estate Investor Lending

Construction Loan
Requirements
Pre-Underwriting

Deal Review Requirements



Provide the following: 

Deal Review Requirements (Pre-Underwriting Scenario)	
Outstanding Debt	Provide outstanding debt balance & proof is any
Current Rent Rolls	Current Rent Roll (include sq. footage, unit types)
Operating Statements (NOI)	T-12 and T-1 (past 12 months and past 1 month)
Sponsorship	Experience Narrative, Biography, and Credit Profile
Real Estate Owned	Provide a schedule of all real estate owned (inclusive of debt against)
Management Company	Provide management company info / 3 rd party agreements
Occupancy	Provide occupancy status consistent with T-1 rent roll
Business Plan (Deal Summary)	Explain the story of the deal (why is sponsor seeking financing)
Assets / Liquidity	Provide evidence of current liquidity position
Entity Structure	Provide details of entity structure (partners, % interest, OA, history)
Requested Economics	Loan Amount, Transaction Type, Term, PPP Types
Residential vs. Commercial	Provide breakdown of residential vs. commercial units (sq. ft & % income)
Subject Property	Provide address (inclusive of zip code) + description of subject property
Market, Area, & Demographics	Provide area and any demographic highlights (detail opportunity)
Proposed Rent Rolls	Provide proposed rent rolls if planning to value add (include TI & LC)
Budgets, Estimates, Contracts	Provide budgets, estimates, signed contracts and proposals
Permits, Plans	Provide any applicable permits, plans, and approvals as necessary
Without per review of all files, data, and narratives, Great Lakes Mortgage will be unable to approve the deal	



Multifamily & Mixed-Use Term Matrices

INSURANCE	Purchase ¹		Rate/Term		Refinance Cash Out ²	
FICO	Max LTV/LTPP (LTC)	CRE DSCR ³	Max LTV	CRE DSCR ³	Max LTV	CRE DSCR ³
700+	75%	1.25x	75%	1.25x	70%	1.30x
680-699	75%	1.25x	75%	1.25x	70%	1.30x
Foreign National ⁴	70%	1.30x	70%	1.30x	65%	1.40x

SHORT TERM SALE	Purchase ¹		Rate/Term		Refinance Cash Out ²	
FICO	Max LTV/LTPP (LTC)	CRE IO DSCR ³	Max LTV	CRE IO DSCR ³	Max LTV	CRE IO DSCR ³
700+	80%	1.25x	80%	1.25x	75%	1.30x
680-699	80%	1.25x	80%	1.25x	75%	1.30x
Foreign National ⁴	75%	1.30x	70%	1.30x	65%	1.40x

LONG TERM SALE	Purchase ¹		Rate/Term		Refinance Cash Out ²	
FICO	Max LTV/LTPP (LTC)	RESI DSCR ³	Max LTV	RESI DSCR ³	Max LTV	RESI DSCR ³
700+	75%	1.00x	75%	1.00x	70%	1.00x
680-699	70%	1.00x	70%	1.00x	70%	1.00x
Foreign National ⁴	65%	1.20x	65%	1.20x	65%	1.20x

SFR & 2-4 Unit Bridge Matrices



Leverage Matrix						
Loan Product Types			Max LTV (“As Is”)	Max LTC (“Loan to Cost”)	Max ARV-LTV (“As Repaired”)	
Stabilized Bridge			Purchase	75%	75%	N/A
			Rate & Term	65%	N/A	N/A
			Cash-Out	60%	N/A	N/A
Experienced Sponsor ¹	Light Rehab	Purchase	85%	85%	70%	
		Rate & Term	70%	N/A	60%	
		Cash-Out	60%	N/A	55%	
	Heavy Rehab	Purchase	75%	75%	60%	
		Rate & Term	70%	N/A	60%	
		Cash-Out	Ineligible	Ineligible	Ineligible	
Inexperienced Sponsor ¹	Light Rehab	Purchase	75%	75%	65%	
		Rate & Term	65%	N/A	60%	
		Cash-Out	Ineligible	Ineligible	Ineligible	
	Heavy Rehab	Purchase	60%	60%	50%	
		Rate & Term	Ineligible	Ineligible	Ineligible	
		Cash-Out	Ineligible	Ineligible	Ineligible	
¹ Generally, experience is defined as 3+ round trip investment property transactions or other related experience w/ in last 36 months.						

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Multifamily / Mixed Use Bridge Matrices

Leverage Matrix				
Loan Product Types		Max LTV ("As Is")	Max LTC ("Loan to Cost")	Max ARV-LTV ("As Repaired")
Stabilized Bridge	Purchase	75%	75%	N/A
	Rate & Term	70%	N/A	N/A
	Cash-Out	65%	N/A	N/A
Experienced Sponsor ¹	Light Rehab	Purchase	75%	75%
		Rate & Term	N/A	65%
		Cash-Out	N/A	60%
	Heavy Rehab	Purchase	70%	70%
		Rate & Term	N/A	65%
		Cash-Out	Ineligible	60%
Inexperienced Sponsor ¹	Light Rehab	Purchase	70%	70%
		Rate & Term	Ineligible	Ineligible
		Cash-Out	Ineligible	Ineligible
	Heavy Rehab	Purchase	Ineligible	Ineligible
		Rate & Term	Ineligible	Ineligible
		Cash-Out	Ineligible	Ineligible
	Minimum Debt Yield		8.50%	

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